City of White Rock

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Prepared by the Communications Office at the City of White Rock.

Photography: Crescent Beach Photography Club, Rob Krochenski, Robert Marlow, Kent Kallberg, Colleen Pepper and White Rock Leisure Services.

Design: Yuni Wong

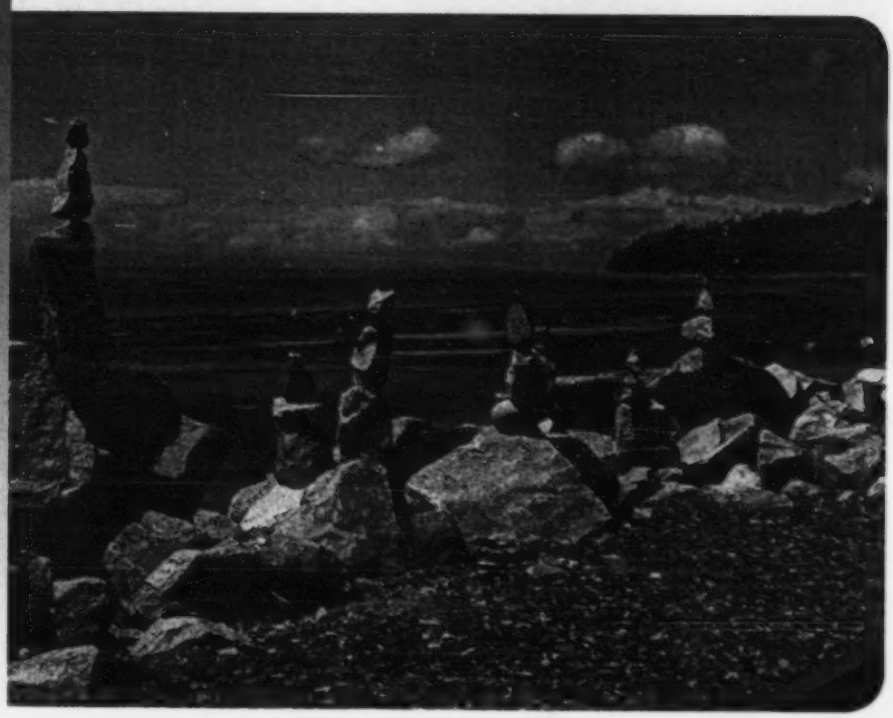
A Year of Transition

An election year is always an interesting time in the life of a city – and so it was in 2008.

Mayor Judy Forster said goodbye to City Hall after 16 years in local government and in November, residents elected a new Mayor and three new Councillors.

We wish to thank the 2005-2008 Council for their many contributions to our community.

Councillors – Back: James Coleridge, Mary Wade Anderson, Stewart Peddemors, Doug McLean. Front: Catherine Ferguson, Mayor Judy Forster, Matt Todd.



Mayor's Message

On behalf of White Rock City Council, I am pleased to present the 2008 City of White Rock annual report.

2008 was the final year in the previous Council's three-year mandate and in November, a new Council was elected. I was honoured to become Mayor.

One of Council's top priorities moving forward is rebuilding public trust. It's a significant challenge, but one that we must meet. How will we do it? By making your priorities our priorities, and by making every effort to engage you, our residents, in meaningful dialogue – even when opinions vary.

Our ultimate goal is to give residents a renewed sense of pride in their community. We believe it's important to honour the democratic process and make the culture of City Hall more citizen-centric. Integrity. Accountability. Transparency. These are the words that will drive us forward in the coming year.

In 2009, watch for a renewed focus on infrastructure and improvements to the City's green spaces. You can also expect to see Council revisit the plan for the Town Centre and make ongoing efforts to revitalize the waterfront. In particular, we will be working with staff to develop clearer development guidelines to ensure that new investment in these areas aligns with the community's vision and integrates design elements consistent with White Rock's unique character.

Given the difficult economic times, we will also continue to be relentless about looking for efficiencies and opportunities to leverage your tax dollars more effectively. Recognizing that residents already shoulder the majority of the tax burden, we will be undertaking a core service capacity review in an effort to identify ways we can increase our capacity and improve our service levels without the need for additional funds. Likewise, we will be looking at implementing performance measures and benchmarking to help further foster a culture of continuous improvement amongst City employees in all departments.

In short, this Council will be focused on getting the basics right and learning from the past. Remaining open to new ideas and new ways of doing things is the only way we can ever plan to achieve different results.

Together we look forward to the challenges before us and building a stronger, more attractive White Rock.

In conclusion, I'd like to express my thanks to the outgoing Council members for their many years of dedicated service to our community.

Catherine Ferguson

CATHERINE FERGUSON
Mayor

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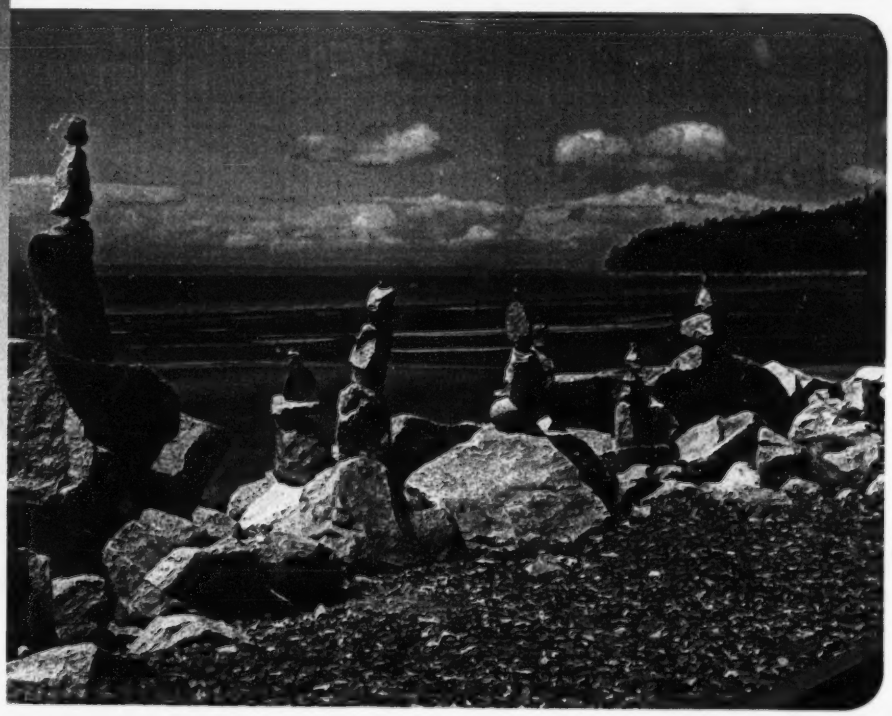

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Catherine Ferguson

CATHERINE FERGUSON
Mayor

City Manager's Message

2008 was the final year of Council's mandate and work continued on realizing the goals of this Council, and preparing for the transition to a new Council. Highlights and accomplishments in 2008 include:

- Completing and adopting the Official Community Plan. The plan outlines the future direction of the City including detailed population projections, and was prepared with extensive community input
- Finalizing several strategic plans for adoption by the new Council. These included the Parks Master Plan, Environmental Strategic Plan, Economic Strategic Plan and the Facilities Master Plan
- Seeing the first phase of the Miramar development in the Town Centre completed and the City receiving payment for the mortgages related to the development. The internal construction of the White Rock Community Centre got underway with completion in early 2009
- Establishing Tourism White Rock in partnership with the BIA and Chamber of Commerce as a follow up to the Tourism Plan
- Advancing The Centre for Health Improvement and Peace Arch Curling Club integrated project in Centennial Park through the feasibility study stage to the development of a detailed concept plan. Construction is planned to get underway in the summer of 2009 following finalization of the plans and approval by all the partners
- Receiving recognition as one of three finalists in the province's Green Cty Awards. One of the most successful initiatives was the pilot yard waste program which is part of the City's waste management program
- Winning first place in the national Communities in Bloom competition for our population category. The Committee and all the citizens who participated are to be congratulated and thanked for bringing this award to the City
- Preparing for activities to be held leading up to the 2010 Olympics and receiving news that White Rock will be included on the Torch Relay route
- Reorganizing the Corporate Services Department to create a more efficient City Clerk's Office and shifting Economic Development to be the responsibility of the Development Services Department
- Maintaining a positive fiscal status and remaining free of long-term debt
- Running a successful municipal election process under the leadership of new City Clerk, Tracey Arthur. Voters elected a new Mayor and three new Councillors, with three returning councillors

I would like to thank the 2006-2008 Council, our employees, our stakeholders and our community volunteers for their hard work and dedication. I look forward to working with the new Council to bring their goals and vision for White Rock to fruition.

Peggy Clark

PEGGY CLARK
City Manager

Note: There is one vacancy on Council. A by-election will be held in 2009.

Mayor Catherine Ferguson

Councillor Mary Wade Anderson

Councillor Al Campbell

Councillor Doug McLean

Councillor Helen Fathers

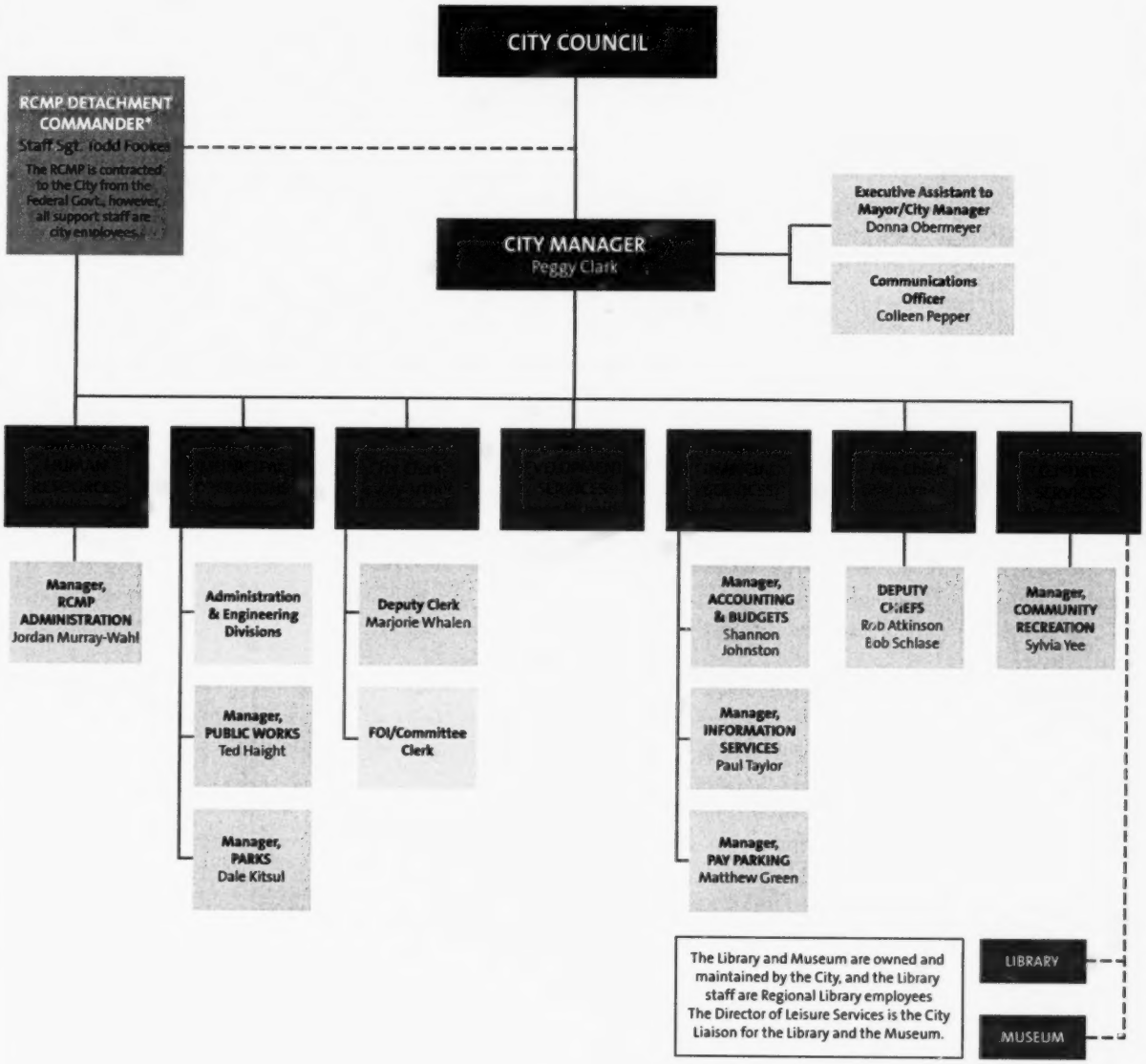
Councillor Lynne Sinclair

MISSION STATEMENT

Building community excellence through effective stewardship of all community resources.

2008 Declarations of Disqualification: In 2008, there were no declarations of disqualification under Section 111 of the Community Charter.

2008 City Organizational Chart



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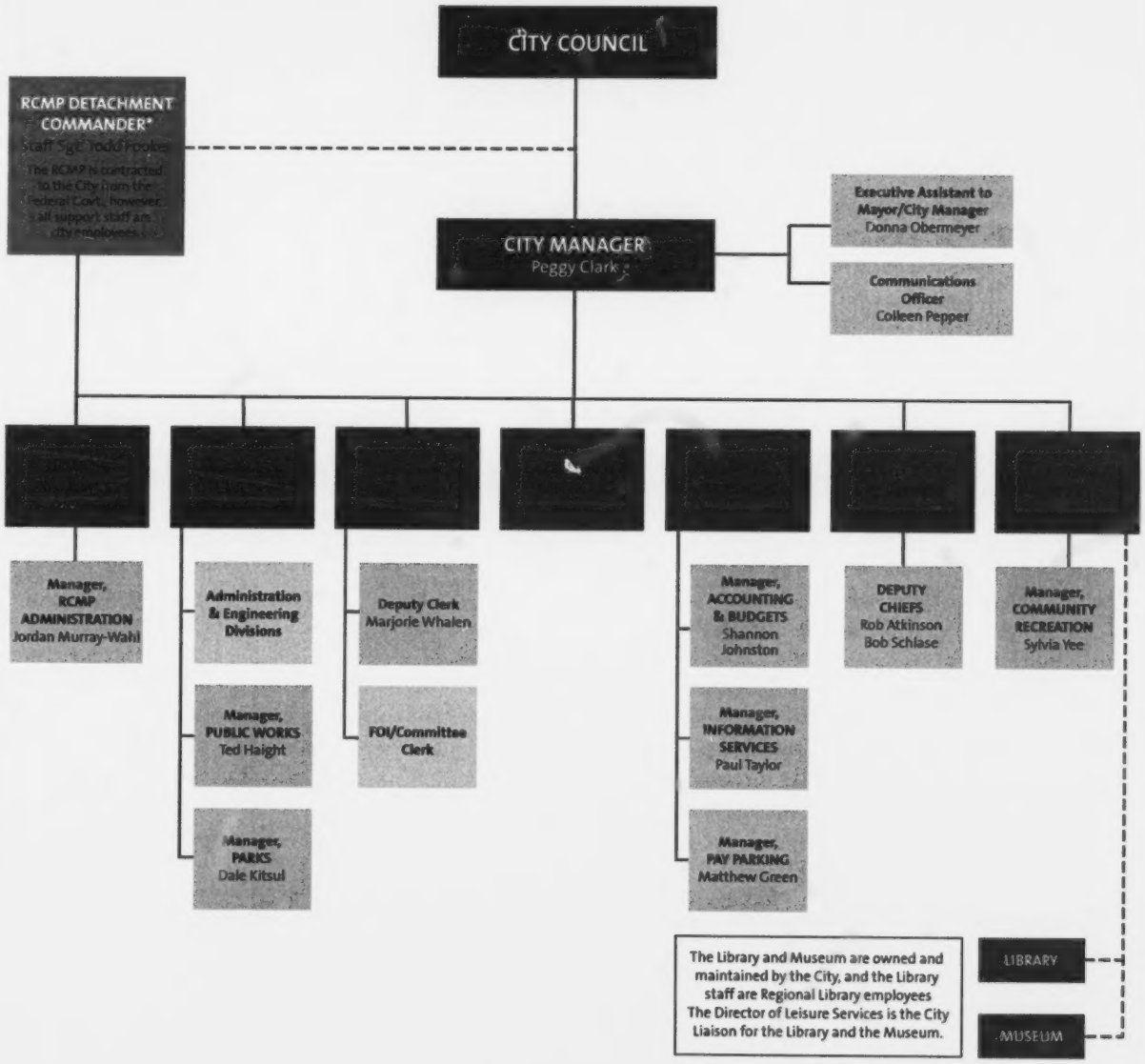


Council Strategic Goals

Develop and promote unique community character

White Rock has long been regarded as one of the most beautiful locations in the Lower Mainland. In 2008, the City received national recognition when it won first place at the 14th Annual Communities in Bloom competition. White Rock received the highest mark for its population category of 13,001 to 20,000, and was judged on eight categories: tidiness, community involvement, heritage conservation, urban forest management, landscaped area, floral design and turf and ground covers. The Communities in Bloom Committee brought colour to White Rock's streets through a banner program, garden recognition program and other initiatives.

In the fall of 2008, the City also concluded its Official Community Plan (OCP) review and adopted the new bylaw in September. The Plan included updated population projections and refined development parameters in the Town Centre. Recognizing the importance of public participation as part of the OCP development process, the City provided multiple opportunities for community engagement, using a variety of public participation techniques. However, with the election of a new Council, it's expected that some parts of the plan will be revisited in 2009.

The City also completed the final draft of its Parks Master Plan. This document, which will be adopted in early 2009, will guide future parkland acquisition and development.

- Supported a new community mural on the waterfront as part of the Spirit of the Sea Festival
- Maintained a "no call too small" policy for emergency services
- Hosted/supported 30 city and community events
- Welcomed the Canadian Air Force Snowbirds to perform in White Rock in support of the CHILD Foundation
- Continued the Waterfront Greeter program, Painters' Square art displays and the Waterfront Concert Series
- Supported 13 Business Improvement Association's special events including The Prospera Great Outdoors Film Festival
- Recognized outstanding citizens by naming them to the Order of White Rock
- Awarded Margaret Lower the Freedom of the City

Sustain and support economic diversity

Implementing measures to support businesses and foster economic growth continued to be a priority in 2008.

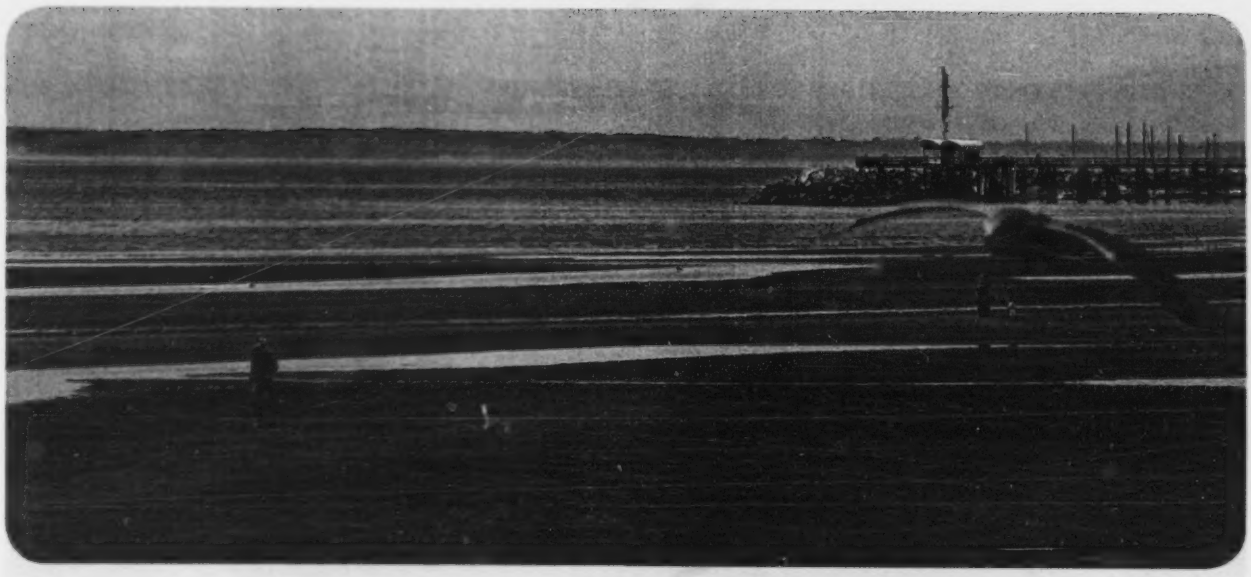
A number of new waterfront parking initiatives were introduced as a result of the Mayor's Pay Parking Task Force. During the winter months, the City piloted a free parking program running Monday to Thursday and created six 30-minute free parking stalls to accommodate shoppers running quick errands. Earlier in the year the City also partnered with the Business Improvement Association (BIA) to offer a first-hour free parking validation program. According to feedback gathered by the BIA, these programs resulted in increased shopping activity and sales for waterfront merchants.

Throughout the year, work also continued on two important strategy documents—the Tourism Plan and the Economic Development Strategic Plan. Following Council's approval of the Tourism Plan, the organization Tourism White Rock was created. The funding partners for this organization are the BIA, City of White Rock and the White Rock South Surrey Chamber of Commerce.

In a related effort, the City attempted to move forward with a branding initiative. Intended to yield a more competitive brand identity and market positioning for White Rock as a tourism destination, the project ultimately met resistance from the community and Council decided not to move forward with the plan.

Finally, we continued to construct the White Rock Town Centre in the Miramar development which was completed in late 2008.

- Added BizPal to the City's website – an online service simplifying the business permit and licencing process
- Offered year-round free parking for vehicles with veteran plates
- Supported new mid-week Farmer's Market on the waterfront



Enhance environmental sustainability in both land and sea

Around the province municipalities have been working hard to decrease their environmental footprint and the City of White Rock is no exception.

One of the biggest success stories of the year was the launch of the pilot yard waste program. Begun in February, the program offered residents living in single detached residences curbside pickup of their yard waste, provided it was deposited in kraft bags or in clearly marked containers. By year end, the program had diverted 515 tonnes of yard waste from the landfill, and saved $33,475 in garbage dumping fees. Commercial and multi family properties will be added to the program beginning in 2009. The City also began selling backyard composters to residents in an effort to further minimize the demand for solid waste services.

Work was also undertaken to complete an energy and greenhouse gas emissions inventory as a follow up to commitments made under the Climate Action Charter. Staff will complete a similar inventory covering City operations in 2009. These reports will then be consolidated and used to set specific energy and emissions reductions targets as required by provincial legislation.

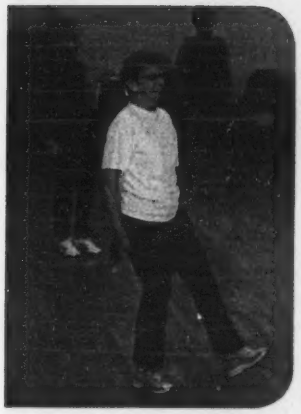
Other accomplishments during the year included putting the finishing touches on the draft Environmental Strategic Plan and moving ahead with the legal groundwork necessary to introduce a tree protection bylaw.

- Placed second in the Livesmart BC Green City Awards for demonstrating leadership in environmental sustainability (among cities with a population of the 10,000-24,999)
- Planted 30 trees in conjunction with Peace Arch Elementary and Evergreen to replace a number of large trees lost during a previous storm event
- Added a new environmental coordinator position to facilitate better communication with residents on the environmental issues facing the City
- Proposed moving forward with a new bylaw that would prohibit the use of cosmetic pesticides on private property

Create a community of excellence for health and wellness

Helping residents discover the benefits of physical activity and healthy lifestyle choices remained a goal of Council in 2008.

The Every Step Counts Community Activity Challenge saw more than 800 registered participants – including residents, City staff and Council members – collectively log more than 10 million steps. A number of community walks were also held throughout the year to help residents ease into a more active lifestyle.



White Rock Leisure Services added 22 more Active Living programs to its course offerings in 2008 and the number of people registering for more than one program increased by 13%. Newcomers to White Rock Leisure Services programs increased by 6%.

The City also took steps to strengthen its stance on second-hand smoke by passing a new Public Health Smoking Protection Bylaw. Under the new bylaw, smoking is not allowed on the pier and promenade, or in any City park. While provincial legislation bans smoking within 3 metres of doors, windows and air intakes, White Rock's bylaw specifies a 7.5 metre distance. In 2009, the bylaw will also ban smoking on restaurant patios.

Planning also continued on the Centre for Health Improvement. The scope of the project was further expanded in February 2008 to include upgrades to the Peace Arch Curling Club. Architects and a construction manager were engaged to develop the integrated building plans for what was previously two independent projects. When complete, the Centre will address chronic disease self-management, education and recreation.

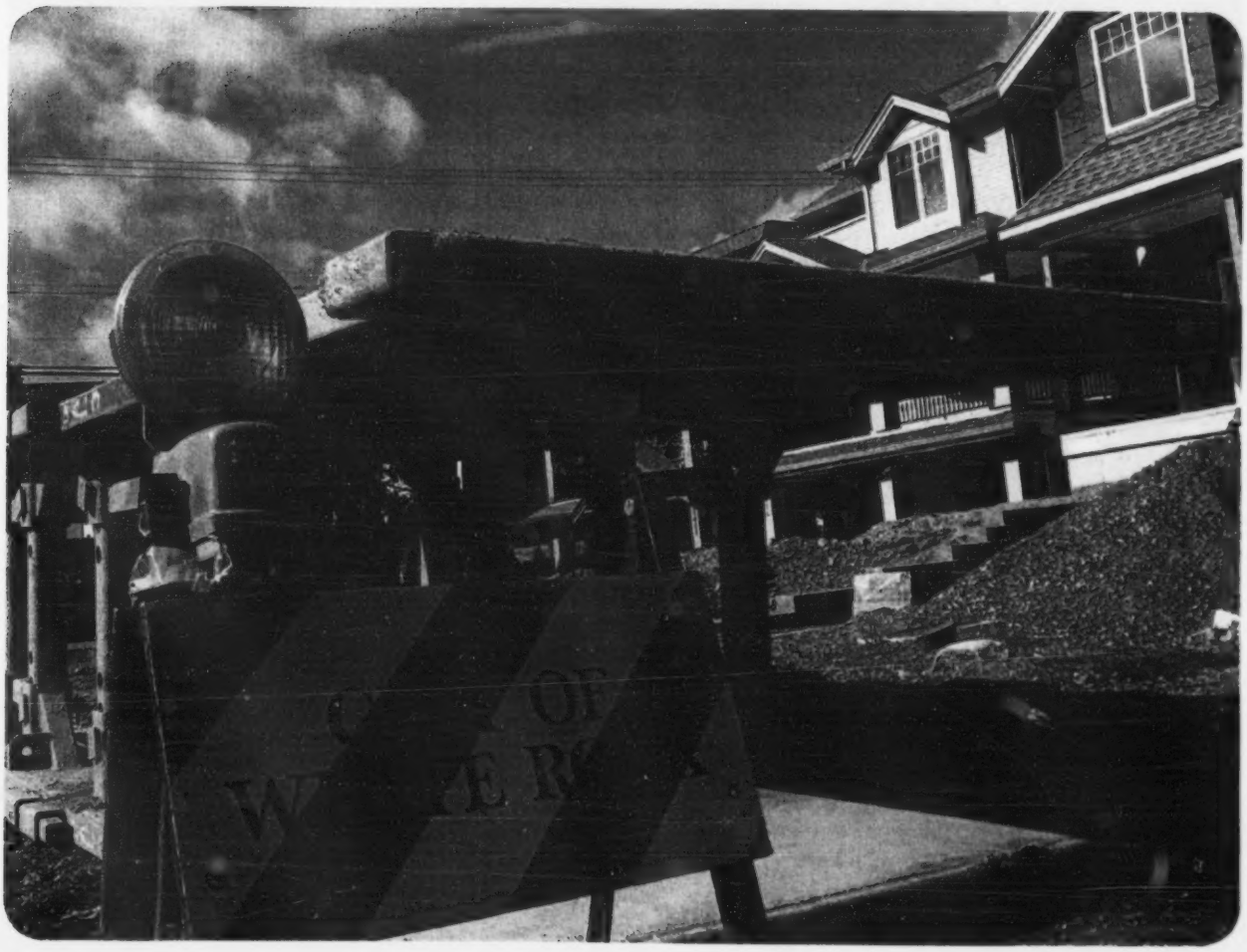
- Extended a $100,000 tax interest-free loan to the White Rock Lawn Bowling Club to help upgrade the playing surfaces with artificial turf
- Offered free skating events at Centennial Arena during the holidays drawing more than 1,000 participants

Increase diverse housing opportunities

The City continued to look at the need for alternative forms of housing in 2008 through the work of the Housing Diversity Task Force. Established in 2006 to examine the City's housing stock, the Task Force met 16 times over its tenure and concluded its work in the summer of 2008. Task Force members included representatives from the White Rock Ratepayers Association, the real estate industry, Semiahmoo Peninsula Affordable Housing Society and the community at large.

Among final Task Force recommendations were regulations regarding secondary suites and encouraging non-market housing in higher density multi-unit housing. Other issues identified include a lack of purpose-built rental housing, a significant increase in the value of owned dwellings, a decrease in the vacancy rate and a lack of access to affordable housing.

- Approved building permits for 116 new housing units and 54 demolition permits for a net increase of 62 housing units
- Saw $35,896,200 in construction activity within the City during 2008
- Reviewed new developments to encourage a variety of unit types



Improve and increase transportation and mobility options

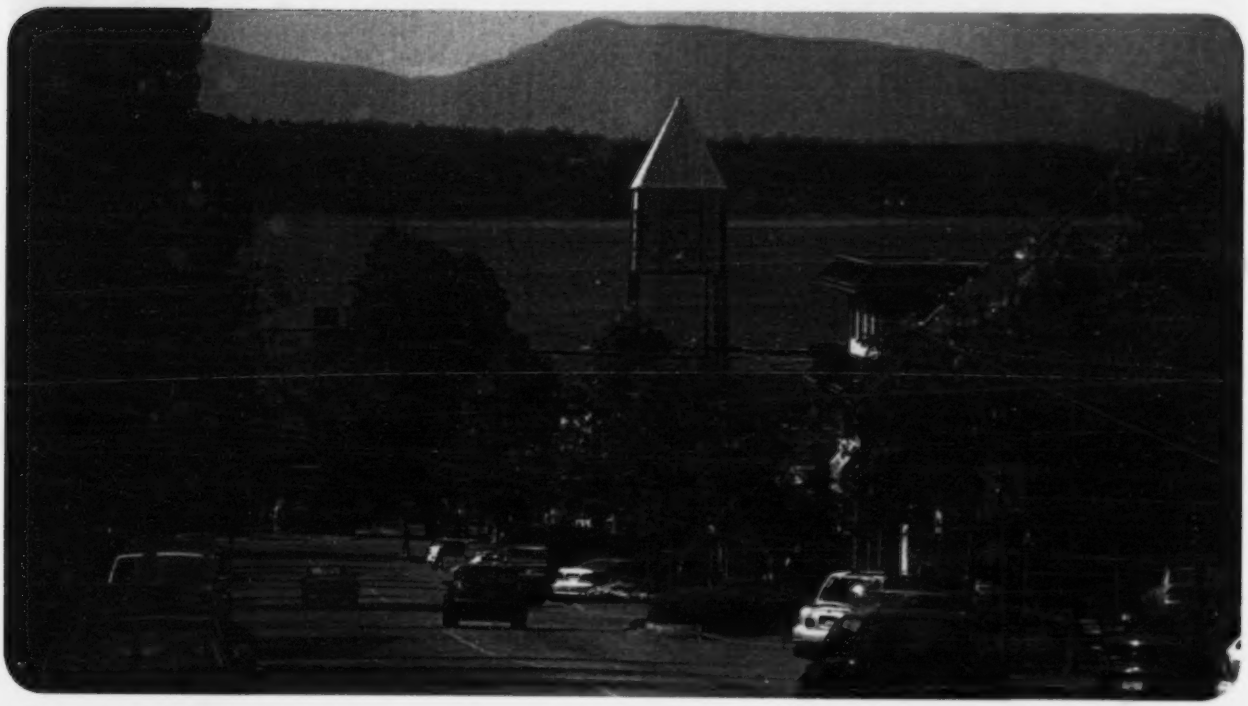
White Rock's hillside location may make for stunning views, but it poses significant challenges when it comes to transportation routes within the city.

In 2008, the City moved forward with a variety of priority projects previously identified in the Strategic Transportation Plan (STP). These projects covered pedestrian improvements, sidewalks, minor roads and transit. STP projects will continue through 2009 with a focus on pedestrian improvements and sidewalks.

Recognizing how difficult it is for seniors in our community to get around, the City supported the Kent Street Seniors' Centre in their quest to get a more accessible mini-bus for daytrips and other outings. The Big Wheels Big Heart Campaign was initiated, with the City pledging $44,000 of the total $88,000 required to purchase the 22-passenger vehicle. The new vehicle which includes entry steps, grab bars and a wider-centre aisle will replace the 15-passenger van currently operated by White Rock Leisure Services and will make getting on and off the bus much easier for those with reduced mobility.

The City also continued to advocate for more reliable and direct public transit services on the Peninsula. Staff participated in the South of Fraser Area Transit Plan initiated by TransLink. There was extensive dialogue about the proposed Canada Line and in particular, the City expressed concern about the re-routing of the #351 bus service and the loss of direct service to downtown Vancouver.

- Applied for provincial grants under the LocalMotion Program and successfully secured just under $40,000 to upgrade selected intersections throughout the City; also installed sidewalks adjacent to White Rock Elementary School
- Tendered the final phase of improvements to Stayte Road, extending from Thrift Avenue to North Bluff Road



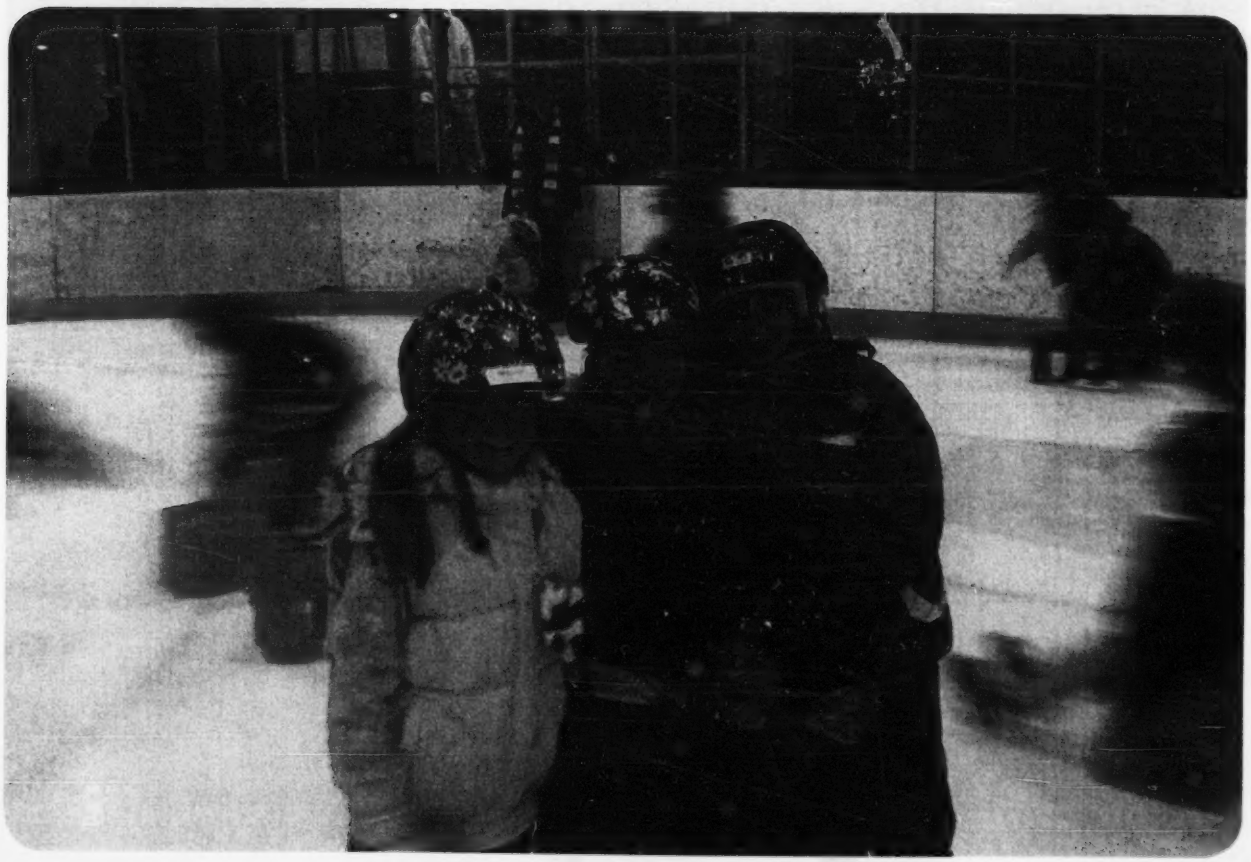
Promote and provide for a demographically balanced population

Although White Rock is a small municipality, its population is becoming increasingly diverse. In 2008, the City took several steps to ensure that its facilities and plans reflect this changing reality.

One of the highlights of the year was the dedication ceremony of the new White Rock Community Centre held in October. Located on the ground floor of the Miramar Village development in the Town Centre, this facility replaces the previously demolished Town Centre Hall.

The new facility includes more than 12,000 square feet of multi-purpose space including a lobby, presentation room, dance studio, gallery and arts and crafts room. The design of the Centre reflects its multi-generational users – including washrooms for young children, as well as older adults who need assistance from a spouse or other attendant. Expected to open in spring 2009, the Centre will enable the addition of approximately 100 new Leisure Services programs.

- Completed the final draft of the Facilities Master Plan in preparation for the new Council. The plan includes an assessment of existing facilities as well as a review of future space requirements



Demonstrate excellence and accountability in governance

Finding more effective ways to deliver City services is a challenge facing every municipality. In White Rock, a corporate restructuring in February saw the Corporate Services Department dissolved and a leaner City Clerk's Office created. The City's planning and economic development functions were also more closely aligned through the reorganization.

In addition, the City continued to implement a one-stop shopping model by equipping City facilities to sell courtesy parking decals. New functionality was also added to the City's website enabling residents and visitors to pay parking tickets online.

Perhaps the biggest customer service accomplishment during the year was the City's new approach to snow removal. With the Semiahmoo Peninsula receiving more significant snowfall accumulations in recent years, the City opted to enhance its snow removal capabilities in 2008 by contracting a road-grading machine to clear high priority routes. This move allowed City workers to focus on clearing side streets and secondary access routes. City staff were also redeployed to clear certain roads by hand thereby opening up areas that would otherwise have had to remain closed. The result was a record number of kudos and compliments from residents.

- Developed a long-range recruitment and assessment framework to increase organizational capacity
- Completed a successful municipal election process and orientation of Council for the new term of office
- Renegotiated the City's five-year lease with Burlington Northern Santa Fe Railway and negotiated a one-year cost savings
- Responded to 5,455 calls for police service – or 273 calls for service per 1,000 residents
- Responded to 1392 fire and rescue calls, including first responses
- Continued to maintain a positive financial status with no regular long term debt
- Began compiling a tangible capital assets inventory in accordance with changing municipal accounting guidelines

Council's Goals for 2009

Rebuilding Public Trust
- Listen to and respect all opinions
- Provide the public with meaningful participation in decisions
- Support accountability and transparency in all City decisions

Developing a Town Centre Plan
- Develop a concept plan for the Town Centre that reflects the community's vision for White Rock
- Co-ordinate the development of the Johnston Road Study with the Town Centre Plan

Investing in Infrastructure
- Restore funding for roads, sidewalk and intersection improvements
- Explore grant opportunities for priority projects
- Review revenue sources for Master Plans, including funding for the implementation of short and long term initiatives

Improving the City's Green Spaces
- Expand the amount of park land in Town Centre and the West Side
- Review maintenance standards and align resources to meet the community's expectations
- Examine and promote neighbourhood partnerships to enhance beautification of green spaces
- Implement cosmetic pesticide bylaw and education program

Revitalizing the Waterfront
- Apply for grant(s) to further the Museum and Archives Revitalization Project
- Work with stakeholders to develop a comprehensive waterfront concept plan involving:
  - Access options to waterfront
  - BNSF lands
  - Future train stop
  - Amenities on the beach
  - Connection of promenade to Crescent Beach
- Complete a Pier and Foreshore Protection Plan

Diversifying the Tax Base
- Utilize expert advice and explore tools the City can use to assist in business retention and business expansion
- Examine the feasibility of providing for more commercial /office space in the Town Centre

Undertaking a Core Service Capacity Review
- Undertake a comprehensive review of the City's core services and the capacity to deliver these services within a framework that includes:
  - Priorities
  - Efficiencies
  - Effectiveness and public satisfaction
  - Community and staff involvement
  - Options for delivery

Implementing Performance Measures/Benchmarking
- Undertake a Community Report Card initiative
- Provide Council with quarterly reviews
- Continue implementation of employee appraisal based on business plans and performance measurements

Improving Internal Communication
- Review communication tools for Council to ensure that their technological needs are met
- Review governance protocols for role of Mayor, Council and Management regarding third party committees
- Revise reporting format to ensure that information is presented in a comprehensive manner with clear and concise recommendations for direction or a decision from Council

Updating Policies and Procedures
- Review and update policies and procedures to ensure that they are current and meet Council's direction
- Review Council Procedure Bylaw providing clear direction on process for Council and Committee meetings

Support local preparations for the 2010 Winter Olympics

With the 2010 Winter Olympic and Paralympic Games drawing closer, the City of White Rock continued its efforts to help both residents and businesses make the most of Games-related opportunities.

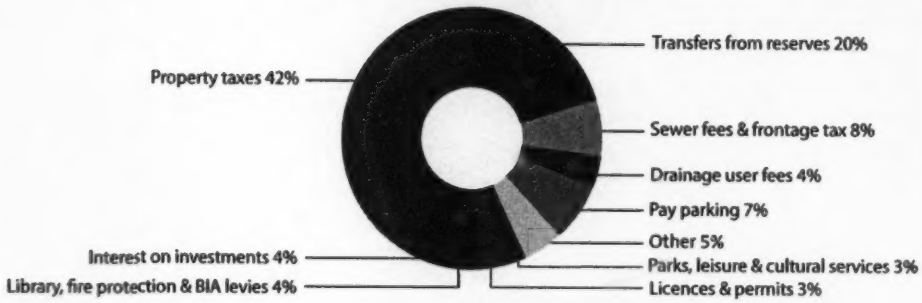
Throughout the year, the White Rock Spirit of B.C. Committee hosted a variety of community-building events promoting literacy and physical fitness. Attendance at these events more than tripled compared to 2007.

The City also participated in the Picture BC and BC Explorer programs – initiatives designed to help White Rock promote itself through photography and video to tourists and international media.

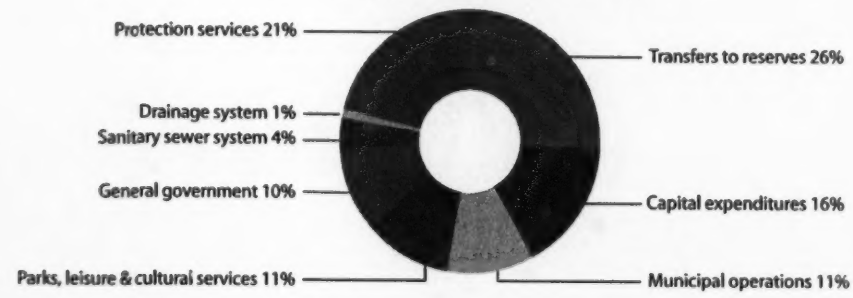
Also noteworthy was the announcement that White Rock would be included on the 2010 Olympic Torch Relay route.

- Updated the Bed and Breakfast regulations in preparation for Olympic-related tourism
- Continued plans to participate in a hosting program
- Developed a Spirit of BC microsite highlighting White Rock's community events

2008 Revenue – Where It Came From


Transfers from reserves 20%
Property taxes 42%
Sewer fees & frontage tax 8%
Drainage user fees 4%
Pay parking 7%
Other 5%
Interest on investments 4%
Parks, leisure & cultural services 3%
Library, fire protection & BIA levies 4%
Licences & permits 3%

2008 Expenditures – Where It Went



Honouring our own

While White Rock is known for its spectacular seaside setting, it's also known for the spirit of its people. In 2008, the City honoured a number of Peninsula residents who've made outstanding contributions to White Rock.

Freedom of the City

The Freedom of the City – the highest honour White Rock can bestow on an individual – was awarded to former City Councillor Margaret Lower at a special ceremony on February 4.

Lower, the first woman to receive the award, served on Council from 1978 to 1990.

A noted community volunteer and activist, Lower was a member of the Peace Arch Hospital Auxiliary for 30 years. She also served on many other committees and boards in the community including Peace Arch Community Services, the Caregivers Support Network, the Semiahmoo House Society and the City's Social Committee.

Margaret Lower passed away on April 12, 2009.

Order of White Rock

The City of White Rock also added 14 names to its Living Legacies book in 2008.

The individuals all received the Order of White Rock – an award recognizing community service and contributions in a variety of areas including the arts, culture, heritage, sport and the environment.

Chip Barrett
Margaret Cuthbert
Caroline Foster (posthumous)
Elizabeth Hollick
Tom Kirstein
Lesley Maudsley
Mary Mikelson
David Riley
Dr. Roy Strang
Glenn Todd
David Webb
Allan and Edith Webster (posthumous)
Patricia Zondag

Financial Statements

Year ended December 31, 2008

Director of Financial Services Report

Mayor and Council

It is my pleasure to present The Corporation of the City of White Rock's Consolidated Financial Statements for the fiscal year ended December 31, 2008 pursuant to Section 167 of the Community Charter. The statements have been prepared in accordance with the Public Sector Accounting Board principles established by the Canadian Institute of Chartered Accountants.

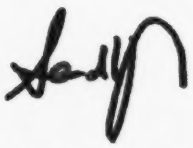
The preparation and presentation of the Financial Statements and related information are the responsibility of management of The Corporation of the City of White Rock. This involves the use of management's best estimates and careful judgement. The City maintains a system of internal accounting controls designed to provide reasonable assurances for the safeguarding of assets and the reliability of financial records.

KPMG LLP, the City's independent auditors, have audited the financial statements contained herein and their reports accompany the statements.

Financial activities during the year contributed to an increase of $2,119,609 in the City's financial equity, which is a combination of reserves and surpluses. Total financial equity was $29,495,923 as of December 31, 2008 and a significant portion of this amount will be used to fund capital projects in future years.

Debt, net of sinking funds, outstanding as of December 31, 2008 was $287,050, compared to $195,306 on December 31, 2007. It is comprised of $187,050 in long-term debenture debt and $100,000 in short-term financing. The long-tem debt is attributed to a local area improvement, of which all annual payments are being recovered from the residents of the local area served by a new sanitary sewer service. The short-term financing relates to the 2008 reconstruction of Goggs Avenue and will be fully repaid in 2009.

In summary, the City ended the year 2008 in a sound financial position.



SANDRA KURYLO, B. Comm., C.M.A.
Director of Financial Services

Auditor's Report

KPMG LLP
Chartered Accountants
Metrotower II
Suite 2400 - 4720 Kingsway
Burnaby BC V5H 4N2
Canada

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Fax (604) 527-3636
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To the Mayor and Council

We have audited the statement of financial position of The Corporation of the City of White Rock (the "City") as at December 31, 2008 and the statements of financial activities and changes in financial position for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2008 and the results of its financial activities and changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Burnaby, Canada
March 20, 2009

KPMG LLP, a Canadian limited liability partnership is the Canadian member firm of KPMG International, a Swiss cooperative.

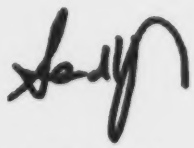
Statement of Financial Position

December 31, 2008

	2008	2007
Financial Assets		
Cash and cash equivalents (note 2)	$ 41,974,826	$ 37,357,510
Accounts receivable (note 4)	1,156,875	1,182,109
Loan receivable (note 5)	100,000	-
Mortgages receivable (note 6)	1,827,000	3,650,694
	45,058,701	42,190,313
Liabilities		
Accounts payable and accrued liabilities	4,054,366	3,977,517
Refundable performance deposits (note 3)	3,128,149	3,575,722
Capital lease obligation (note 8)	4,971	6,346
Debt, net of sinking fund deposits (note 9)	287,050	195,306
Deferred revenue (note 10)	8,380,263	7,260,760
	15,854,799	15,015,651
Net Financial Assets	29,203,902	27,174,662
Capital assets (note 11)	93,399,239	87,885,586
	$ 122,603,141	$ 115,060,248
Equity		
Financial equity:		
Reserves	$ 25,863,723	$ 23,949,114
Surplus (note 12)	3,632,200	3,427,200
	29,495,923	27,376,314
Capital equity (note 13)	93,107,218	87,683,934
	$ 122,603,141	$ 115,060,248

Commitments and contingencies (note 14)
Subsequent events (note 20)

See accompanying notes to financial statements.



SANDRA KURYLO

Director of Financial Services

Statement of Financial Activities

Year ended December 31, 2008

	2008 Budget (unaudited) (note 1(b)(vii))	2008	2007
Revenue:			
Property taxes:			
General and debt purposes	$ 15,195,291	$ 15,189,265	$ 14,355,325
Regional library and fire protection levies	1,032,243	1,031,827	983,497
Business improvement levy	317,000	316,096	246,950
	16,544,534	16,537,188	15,585,772
Receipts in lieu of taxes	14,364	14,364	13,719
Development levies	654,845	10,768	53,195
Sanitary sewer fees and parcel tax	2,775,555	2,793,706	2,614,648
Drainage user fees	1,330,000	1,332,666	1,245,391
Sales of services and other revenue from own sources:			
Pay parking	2,535,600	2,473,843	2,509,645
Parks, leisure and cultural services	824,210	968,554	976,493
Licences and permits	786,020	1,154,761	1,338,520
Interest and penalties	910,000	1,288,760	1,506,555
Other	5,046,569	1,042,605	1,159,237
Government grants	890,585	470,705	450,855
Proceeds from sale of land and disposal of other capital assets (note 15)	-	289,250	57,994
	32,312,282	28,377,170	27,512,024
Expenditures:			
General government	4,175,546	3,573,898	3,290,034
Protection services	7,906,514	7,502,445	7,399,410
Transportation, engineering and operations	3,045,553	2,874,051	2,800,394
Parks, leisure and cultural services	4,036,056	4,067,888	3,926,009
Solid waste services	1,092,867	1,148,230	956,355
Sanitary sewer system	1,304,246	1,300,333	1,289,514
Drainage system	292,630	302,183	251,376
Interest on debt	14,111	13,649	50,334
Capital expenditures	19,312,690	5,565,253	3,136,822
	41,180,213	26,347,930	23,100,248
Excess (deficiency) of revenue over expenditures	(8,867,931)	2,029,240	4,411,776
New debt issued	100,000	100,000	-
Principal payments on debt	(8,256)	(8,256)	(308,869)
Principal payments on capital leases	(1,380)	(1,375)	(548)
Increase (decrease) in financial equity	(8,777,567)	2,119,609	4,102,359
Financial equity, beginning of year	27,376,314	27,376,314	23,273,955
Financial equity, end of year	$ 18,598,747	$ 29,495,923	$ 27,376,314

See accompanying notes to financial statements.

Statement of Changes in Financial Position

Year ended December 31, 2008

	2008	2007
Cash provided by (used in):		
Operations:		
Excess of revenue over expenditures	$ 2,029,240	$ 4,411,776
Changes in non-cash operating working capital:		
Decrease (increase) in accounts receivable	25,234	(32,237)
Increase in loan receivable	(100,000)	-
Decrease in mortgages receivable	1,823,694	-
Increase in accounts payable and accrued liabilities	76,849	1,100,587
Increase (decrease) in refundable performance deposits	(447,573)	47,207
Increase in deferred revenue	1,119,503	1,692,069
	4,526,947	7,219,402
Financing:		
New debt issued	100,000	-
Principal payments on debt	(8,256)	(308,869)
Principal payments on capital leases	(1,375)	(548)
	90,369	(309,417)
Increase in cash and cash equivalents	4,617,316	6,909,985
Cash and cash equivalents, beginning of year	37,357,510	30,447,525
Cash and cash equivalents, end of year	$ 41,974,826	$ 37,357,510

See accompanying notes to financial statements.

Year ended December 31, 2008

1. Significant accounting policies:

The City follows Canadian generally accepted accounting principles as prescribed by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants, including the following significant policies:

(a) Basis of presentation:

The financial statements present the resources and operations including all accounts and funds of the City. All inter-fund transactions, assets and liabilities have been eliminated.

(b) Basis of accounting:

(i) Cash and cash equivalents:

Cash and cash equivalents include investments comprised of money market fund investments and term deposits and are carried at the lower of cost and market value.

(ii) Capital assets:

Capital assets are recorded at cost, net of disposal of capital assets. Parkland transferred from developers in lieu of paying Development Cost Charges ("DCCs") is also capitalized at its appraised value. No provision has been made for the amortization of capital assets in the accounts.

(iii) Capital equity:

Capital equity reflects the accumulated historical cost of capital assets acquired, constructed or developed by the City less outstanding debt, including capital lease obligations. Except for parkland received in lieu of DCCs, the value of infrastructure constructed by developers and transferred to the City at no cost is not included in equity. The costs for repairs and upgrading of capital assets, which do not materially add to the value or the life of the capital assets, are not included as capital assets or capital equity.

(iv) Revenue recognition:

Revenue is recorded on the accrual basis and is recognized when it is earned. Revenue relating to future periods, including prepaid property taxes, is reported on the statement of financial position as deferred revenue.

(v) Development cost charges:

DCCs collected under the City's Development Cost Charge Bylaw, plus interest earned thereon, are recorded as deferred revenue. DCCs are recognized as revenue when the related development costs are incurred.

(vi) Expenditures:

Expenditures are recorded in the period in which the goods or services are acquired or a liability is incurred. Interest expense on debenture and other debt is recorded on an accrual basis.

(vii) Budget reporting:

The unaudited budget figures reported in the statement of financial activities represent the 2008 component of the Financial Plan Bylaw #1838 adopted by City Council on April 28, 2008.

(viii) Employee future benefits:

The City and its employees make contributions to the Municipal Pension Plan. The City's contributions are expensed as paid.

Sick leave and post-employment benefits also accrue to the City's employees. The liability relating to these benefits is actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The liabilities under these benefits plans are accrued based on projected benefits prorated as employees render services necessary to earn the future benefits.

(ix) Use of accounting estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the determination of accrued sick benefits, allowance for doubtful accounts and provision for contingencies. Adjustments, if any, will be reflected in the financial statements in the period of settlement or change in the amount of the estimate.

(x) Segment disclosures:

A new requirement for Municipal Governments, PSAB standard 2700 on Segment Disclosures, is effective for fiscal years beginning on or after April 1, 2007. A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. The City had adopted the PSAB standard section for the fiscal year ending December 31, 2008 and had provided definitions of segments used by the City as well as presented financial information in segmented format in note 18.

(xi) Future accounting changes:

(i) Tangible capital assets:

The City is in the process of accumulating information and developing its accounting policies related to its tangible capital assets in order to comply with the new PSAB standard 3150. This new standard will be applicable to the City's 2009 annual financial statements. As at December 31, 2008, the cost and accumulated amortization have not yet been finalized for the individual classes of tangible capital assets and hence details concerning the major categories of tangible capital assets have not been provided.

(ii) Financial statement presentation:

PSAB standard 1200 financial statement presentation will be applicable to local governments for fiscal years beginning on or after January 1, 2009. The City is currently in the process of gathering the information required to be able to comply with this standard.

2. Cash and cash equivalents:

	2008	2007
Cash balances	$ 9,860,374	$ 6,533,801
Money market securities and term deposits maturing within 90 days of aquisition	28,383,132	27,223,971
MFA Money Market Fund	3,731,320	3,599,738
	$ 41,974,826	$ 37,357,510

Short-term investments, including the MFA Money Market Fund, have annual yields that range from 0.9% to 3.8%.

3. Restricted assets:

Included in financial assets are cash and cash equivalents of $2,515,535 (2007 - $2,260,295) and accounts receivable of $200,000 (2007 - $200,000) that can only be used for expenditures as provided for by the DCC Bylaw (note 10).

Also included in cash and cash equivalents is an amount of $3,128,149 (2007 - $3,575,722) that consists of refundable performance deposits.

4. Accounts receivable:

	2008	2007
Property taxes	$ 699,646	$ 762,159
Government grants	33,443	21,000
Amount secured by letters of credit	200,000	200,000
Other	223,786	198,950
	$ 1,156,875	$ 1,182,109

5. Loan receivable:

The City has a loan receivable in the amount of $100,000 from The White Rock Lawn Bowling Club (the "Club") to assist in financing the purchase and installation of the Club's new artificial green. The loan receivable bears a variable per-annum interest rate which is the average annual rate of return the City has achieved on its investments in the 12 months preceding the anniversary date of the loan agreement. The principal will be paid in 10 equal annual instalments with the first payment due on November 30, 2009. The interest will be paid semi-annually with the first payment due on May 31, 2009.

6. Mortgages receivable:

The City has one mortgage receivable in the amount of $1,827,000 related to the sale of certain land to a developer, with the developer, in exchange, constructing and transferring title of a 60 stall parking facility back to the City. This transfer was completed in early 2009 (note 20).

As of December 31, 2007, the City had 3 mortgages receivable totalling $3,650,694 on the sale of this land. All applicable amounts were paid back to the City during 2008 before interest started to accumulate under the terms of the mortgages.

7. Post-employment benefits:

The City provides certain post-employment and sick leave benefits to its employees. These benefits include accumulated non-vested sick leave and post-employment gratuity benefits and certain vacation benefits.

	2008	2007
Accrued benefit liability:		
Balance, beginning of year	$ 800,762	$ 792,433
Immediate recognition of Workers' Compensation benefits liability	18,700	(28,000)
Current service cost	65,000	73,600
Interest cost	36,800	41,300
Benefits paid	(95,416)	(93,471)
Amortization of actuarial loss	800	14,900
Balance, end of year	$ 826,646	$ 800,762

	2008	2007
Accrued benefit obligation:		
Liability, end of year	$ 826,646	$ 800,762
Unamortized net actuarial loss	(22,946)	(23,162)
Balance, end of year	$ 803,700	$ 777,600

Starting in 2008, this actuarial loss for accumulating benefits will be amortized over a period of 12 years which is equal to the employees' average remaining service lifetime. Post-employment liabilities are included in accounts payable and accrued liabilities.

The significant actuarial assumptions used to determine the City's accrued benefit obligation are as follows:

	2008	2007
Discount rates	5.25%	4.75%
Expected future inflation rates	2.50%	2.50%
Expected wage and salary increases	2.50%	2.50%

8. Capital lease obligation:

The City has the following capital lease obligations as of December 31, 2008:

Year ending December 31:	
2009	$ 1,661
2010	1,661
2011	1,661
2012	413
Minimum capital lease payments	5,396
Less amounts representing interest	425
	$ 4,971

9. Debt, net of sinking fund deposits:

The following debt is outstanding as of December 31, 2008:

	2008	2007
Debentures, net of sinking fund deposits	$ 187,050	$ 195,306
Short-term financing	100,000	-
	$ 287,050	$ 195,306

(a) Debentures:

The City issues debt instruments through the Municipal Finance Authority ("MFA") to finance certain capital expenditures. Sinking fund balances, managed through the MFA, are netted against related long-term debts. Details are as follows:

Bylaw number	Purpose	Maturity date	Interest rate	Authorized amount	Sinking Fund Assets	2008	2007
Sanitary Sewer Fund:							
1667	Sanitary Sewers	2023	5.95%	$ 224,580	$ 37,530	$ 187,050	$ 195,306

Total interest on debenture debt is $13,363 in 2008 (2007 - $45,831).

The above sanitary sewer fund debt was borrowed under a Local Improvement Construction Bylaw to finance an expansion of sanitary sewer services. Annual principal and interest payments on this debt are being fully recovered from the local area residents and are recorded as other revenue.

Principal payments to the MFA's sinking fund on the outstanding debenture debt over the next five years and thereafter are as follows:

2009	$ 8,668
2010	9,102
2011	9,557
2012	10,035
2013	10,536
Thereafter	139,152
	$ 187,050

b) Short-term financing:

In 2008 the City borrowed $100,000 pursuant to Section 178 of the Community Charter to assist in financing the reconstruction of Goggs Avenue. This debt was issued through the MFA and is expected to be fully repaid in April 2009.

10. Deferred revenue:

	2008	2007
Property taxes	$ 3,641,313	$ 3,324,680
Future capital works	1,619,100	840,794
Development cost charges	2,715,535	2,460,295
Other	404,315	634,991
	$ 8,380,263	$ 7,260,760

11. Capital assets:

	General	Sanitary Sewer	Drainage	2008 Total	2007 Total
General Government	$ 7,919,769	$ -	$ -	$ 7,919,769	$ 7,715,830
Fire Protection	3,581,774	-	-	3,581,774	3,466,818
Police Protection	1,959,751	-	-	1,959,751	1,949,107
Public Works	35,577,767	12,528,330	10,921,662	59,027,759	56,678,372
Recreation	17,256,206	-	-	17,256,206	14,708,009
Parks Development	3,653,980	-	-	3,653,980	3,367,450
	$ 69,949,247	$ 12,528,330	$ 10,921,662	$ 93,399,239	$ 87,885,586

12. Surplus – Operating Funds:

	General	Sanitary Sewer	2008 Total	2007 Total
Balance, beginning of year	$ 2,325,800	$ 1,101,400	$ 3,427,200	$ 2,801,400
Surplus for the year	205,000	-	205,000	650,000
Leess apropriation from surplus	-	-	-	(24,200)
Balance, end of year	$ 2,530,800	$ 1,101,400	$ 3,632,200	$ 3,427,200

13. Capital equity:

	2008	2007
Balance, beginning of year	$ 87,683,934	$ 84,435,195
Capital expenditures	5,565,253	3,136,822
Principal payments on debt	8,256	308,869
Principal payments on capital leases	1,375	548
New debt issued	(100,000)	-
Disposal of capital assets	(51,600)	(197,500)
Balance, end of year	$ 93,107,218	$ 87,683,934

14. Commitments and contingencies:

(a) Agreements and contractual obligations:

The City has entered into various agreements and contracts for services and construction with periods ranging from one to five years. These commitments are in the normal course of operations and are not individually material.

(b) Borrowing liability:

The City, as a member of the Greater Vancouver Sewerage and Drainage District and the Greater Vancouver Regional District, is jointly and severally liable for the net capital liabilities of these Districts.

(c) Pension liability:

The City and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trusteed pension plan. The board of trustees, representing Plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The Plan has about 150,000 active members and approximately 54,000 retired members. Active members include approximately 32,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation as at December 31, 2007 indicated a surplus of $438 million for basic pension benefits. The next valuation will be as at December 31, 2009 with results available in 2010. The actuary does not attribute portions of the unfunded liability to individual employers. The City paid $578,500 (2007 - $592,900) for employer contributions to the Plan in fiscal 2008.

(d) Third party claims:

There are various lawsuits and claims pending by and against the City. The outcome of these claims is undeterminable and it is the opinion of management that final determination of these claims will not materially affect the financial statements of the City.

(e) Lease commitments:

The City entered into a five-year agreement, initially ending July 31, 2008, to lease certain parcels of real property from The Burlington Northern and Santa Fe Railway Company. Under the terms of this agreement, the City is committed to annual rent payments of $300,000 as well as the costs of all taxes, utilities, insurance, repairs and maintenance of the leased premises. This is accounted for as an operating lease. This agreement provides for renewal options consisting of three additional five-year terms.

In January 2008, the City exercised its option to renew this lease for the five-year term ending July 31, 2013. During this period, the City is committed to annual base rent payments of $350,000. After further negotiation with the BNSF Railway Company, the base rent payment for the period August 1, 2008 to July 31, 2009 was reduced to $300,000, subject to certain other obligations made by the City.

The City has entered into various leases for office and other operating equipment. Total annual commitments for the next five years, net of applicable taxes, are approximately as follows:

Year ending December 31:	
2009	$ 37,427
2010	37,617
2011	31,484
2012	13,086
2013	6,657
	$ 126,271

(f) Debt agreement with the MFA:

The City issues debt instruments through the MFA. As a condition of these borrowings, the City is required to execute demand notes in connection with each debenture whereby the City may be required to loan certain amounts to the MFA. The debt agreement with the MFA provides that if at anytime the scheduled payments provided for in the agreement are not sufficient to meet the MFA's obligations in respect to such borrowing, the resulting deficiency becomes the joint and several liability of the City and all other participants to the agreement through the MFA. The City is similarly liable on a contingent basis for the debt of other municipalities secured through the MFA. Details of the contingent demand notes at December 31, 2008 are as follows:

	2008	2007
Operating funds:		
Sanitary sewer	$ 7,364	$ 7,364

These contingent demand loans are not recorded in the City's financial statements.

(g) E-Comm Emergency Communications for Southwest British Columbia Incorporated ("E-Comm"):

The City is a shareholder of the Emergency Communications for Southwest British Columbia Incorporated ("E-Comm"). The City receives services for the regional 9-1-1 call centre for Greater Vancouver Regional District and the Wide Area Radio network from E-Comm. The City has two Class A shares (of a total of 23 Class A and 25 Class B shares issued and outstanding as at December 31, 2008). As a Class A shareholder, the City shares in both funding the future operations and capital obligations of E-Comm (in accordance with a cost sharing formula), including any lease obligations committed to by E-Comm up to the shareholder's withdrawal date. Class B shareholders are only obligated to share in funding of the ongoing operating costs.

(h) Municipal Insurance Association of British Columbia (the "Association"):

The City is a participant in the Association. Should the Association pay out claims in excess of premiums received, it is possible that the City, along with the other participants, would be required to contribute towards the deficit. Management does not consider payment under this contingency to be likely and therefore no amounts have been accrued.

15. Proceeds from sale of land and disposal of other capital assets:

	2008	2007
Proceeds from sale of land	$ 278,000	$ -
Proceeds from disposal of other capital assets	11,250	57,994
	$ 289,250	$ 57,994

16. Collections for other governments:

The City collects certain taxation revenue on behalf of other government bodies. These funds are excluded from the City's financial statements as they are not revenue of the City. Such taxes collected and remitted to other government bodies during the year are as follows:

	2008	2007
Province of British Columbia – school tax	$ 9,587,884	$ 9,383,737
Other regional bodies	2,486,901	2,444,660
	$ 12,074,785	$ 11,828,397

17. Expenditures by object:

	2008	2007
Salaries, wages and benefits	$ 9,529,873	$ 9,116,530
Contracted services	8,995,617	8,775,482
Supplies and other	2,257,187	2,071,414
Total operating expenses	20,782,677	19,963,426
Capital expenditures	5,565,253	3,136,822
	$ 26,347,930	$ 23,100,248

18. Segmented information:

The City is a diversified municipal government institution that provides a wide range of services to its citizens, visitors and many others. In compliance with PS2700, *Segment Disclosures,* certain financial information is required to be reported for major activities involving these services. Each of these major activities is comprised of various City departments and/or divisions as noted below:

- **General Government Services – Mayor & Council, City Manager, City Clerk, Financial Services, Human Resources and Development Services.** These departments are responsible for many legislative, operational and administrative support services including but not limited to City Council bylaw and procedural matters, levying and collecting property taxes, hiring City staff, supporting the City's information technology infrastructure, preparing land use plans and approving new development in the City.
- **Protection Services – Police, Fire/Emergency Measures, Permits & Licenses and Bylaw Enforcement.** These departments are responsible for ensuring public safety and security, preventing crimes as well as enforcing various laws.
- **Transportation, Engineering and Operations Services – Public Works, Engineering and Parking.** These areas are responsible for providing and maintaining the systems that enable the community to use transportation facilities such as roads, sidewalks and parking lots. This category also includes management and administrative services to the City's Operations Department.
- **Parks, Leisure and Cultural Services – Leisure Services and Parks.** These areas are responsible for providing, facilitating the development of, and maintaining high quality parks, recreation facilities and cultural services.
- **Solid Waste Services.** These services involve the City's garbage collection, green waste collection and recycling programs.
- **Sanitary Sewer System Services**. These services involve the provision and maintenance of all systems related to the distribution and disposal of sanitary sewage.
- **Drainage System Services.** These services include the provision and maintenance of all systems involving the distribution of stormwater run-off in the City.

	General Government	Protection Services	Transportation Engineering and Operations	Parks, Leisure and Cultural Services	Solid Waste Services	Sanitary Sewer System	Drainage System	Reserves	Adjustments	2008	2007
Revenue											
Property taxes											
General and debt purposes	$ 15,189,265	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 15,189,265	$ 14,355,325
Regional library & fire protection levies	-	306,988	-	724,839	-	-	-	-	-	1,031,827	983,497
Business improvement levy	316,096	-	-	-	-	-	-	-	-	316,096	246,950
	15,505,361	306,988	-	724,839	-	-	-	-	-	16,537,188	15,585,772
Receipts in lieu of taxes	14,364									14,364	13,719
Development levies	10,768	-	-	-	-	-	-	-	-	10,768	53,195
Sanitary sewer fees and parcel tax	-	-	-	-	-	2,793,706	-	-	-	2,793,706	2,614,648
Drainage user fees	-	-	-	-	-	-	1,332,666	-	-	1,332,666	1,245,391
Pay parking	-	-	2,473,843	-	-	-	-	-	-	2,473,843	2,509,645
Parks, leisure and cultural services	-	-	-	968,554	-	-	-	-	-	968,554	976,493
Licences and permits	643,614	511,147	-	-	-	-	-	-	-	1,154,761	1,338,520
Interest and penalties	844,662	-	-	-	-	19,456	-	424,642	-	1,288,760	1,506,555
Other	955,800	141,203	184,900	-	104,560	65,289	85,977	-	(495,124)	1,042,605	1,159,237
Government grants	392,099	45,538	21,847	11,221	-	-	-	-	-	470,705	450,855
Proceeds from sale of land and disposal of other capital assets	-	-	-	-	-	-	-	289,250	-	289,250	57,994
	18,366,668	1,004,876	2,680,590	1,704,614	104,560	2,878,451	1,418,643	713,892	(495,124)	28,377,170	27,512,024
Expenditures											
Salaries, wages and benefits	2,251,130	3,694,222	1,319,586	1,610,893	386,002	248,278	292,451	-	(272,689)	9,529,873	9,116,530
Contracted services	531,148	3,556,944	1,084,718	1,936,223	646,569	1,213,703	152,477	-	(126,165)	8,995,617	8,775,482
Supplies and other	791,906	251,279	469,747	520,772	115,659	107,370	96,724	-	(96,270)	2,257,187	2,071,414
Capital expenditures	203,939	127,599	1,368,128	2,849,578	98,984	516,592	400,433	-	-	5,565,253	3,136,822
	3,778,123	7,630,044	4,242,179	6,917,466	1,247,214	2,085,943	942,085	-	(495,124)	26,347,930	23,100,248
Excess (deficiency) of revenue over expenditures	14,588,545	(6,625,168)	(1,561,589)	(5,212,852)	(1,142,654)	792,508	476,558	713,892	-	2,029,240	4,411,776
New debt issued	100,000	-	-	-	-	-	-	-	-	100,000	-
Principal payments on debt	-	-	-	-	-	(8,256)	-	-	-	(8,256)	(308,869)
Principal payments on capital leases	(1,375)	-	-	-	-	-	-	-	-	(1,375)	(548)
Transfer from (to) other funds	66,039	-	-	-	-	(784,252)	(482,504)	1,200,717	-	-	-
Increase (decrease) in financial equity	$ 14,753,209	$ (6,625,168)	$ (1,561,589)	$ (5,212,852)	$ (1,142,654)	$ -	$ (5,946)	$ 1,914,609	$ -	$ 2,119,609	$ 4,102,359

19. Comparative figures:

Certain of the comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

20. Subsequent events:

Transfer of title for the 60 stall parking facility to the City was accepted for registration by the Land Title Office on February 17, 2009. As a result, the balance of the mortgage receivable has been reduced to nil.

Auditor's Report on Supplementary Information

KPMG LLP
Chartered Accountants
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To the Mayor and Council

We have audited and reported separately herein on the financial statements of The Corporation of the City of White Rock as at and for the year ended December 31, 2008.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The current year's supplementary information included in Schedules 1 through 12 is presented for purposes of additional analysis and is not a required part of the financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

KPMG LLP

Chartered Accountants

Burnaby, Canada
March 20, 2009

KPMG LLP, a Canadian limited liability partnership is the Canadian member firm of KPMG International, a Swiss cooperative.

General Fund – Statement of Financial Position

Schedule 1

December 31, 2008

	2008	2007
Financial Assets		
Cash and cash equivalents	$ 34,674,245	$ 31,323,459
Accounts receivable	1,153,989	1,179,339
Loan receivable	100,000	-
Mortgages receivable	1,827,000	3,650,694
	37,755,234	36,153,492
Liabilities		
Accounts payable and accrued liabilities	4,088,056	3,973,489
Refundable performance deposits	3,128,149	3,575,722
Capital lease obligation	4,971	6,346
Debt	100,000	-
Deferred revenue	7,361,785	6,279,890
	14,682,961	13,835,447
Net Financial Assets	23,072,273	22,318,045
Capital assets (schedule 7)	69,949,247	65,352,619
	$ 93,021,520	$ 87,670,664
Equity		
Financial Equity:		
Reserves	$ 20,646,444	$ 19,998,591
Surplus	2,530,800	2,325,800
	23,177,244	22,324,391
Capital equity	69,844,276	65,346,273
	$ 93,021,520	$ 87,670,664

General Fund – Statement of Financial Activities

Schedule 2

Year ended December 31, 2008

	2008 Budget (unaudited)	2008	2007
Revenue:			
Property taxes:			
General and debt purposes	$ 15,195,291	$ 15,189,265	$ 14,355,325
Regional library and fire protection levies	1,032,243	1,031,827	983,497
Business improvement area levy	317,000	316,096	246,950
	16,544,534	16,537,188	15,585,772
Grants in lieu of taxes	14,364	14,364	13,719
Development levies	654,845	10,768	51,865
Sales of services and other revenue from own sources:			
Pay parking	2,535,600	2,473,843	2,509,645
Parks, leisure and cultural services	824,210	968,554	976,493
Licences and permits	786,020	1,154,761	1,338,520
Interest on investments	775,000	1,114,870	1,324,999
Penalties and interest on taxes	135,000	154,434	154,693
Other	5,441,305	1,386,463	1,505,983
Government grants	890,585	470,705	450,855
Proceeds from sale of land and disposal of other capital assets	-	289,250	57,994
	28,601,463	24,575,200	23,970,538
Expenditures:			
General government	4,175,546	3,573,898	3,290,034
Police protection	4,163,959	3,895,761	3,793,948
Fire protection	3,193,922	3,068,139	3,104,962
Other protection services	548,633	538,545	500,500
Transportation, engineering and operations	3,045,553	2,874,051	2,800,394
Parks, leisure and cultural services	4,036,056	4,067,888	3,926,009
Solid waste services	1,092,867	1,148,230	956,355
Interest on debt	748	286	36,972
Capital expenditures	15,926,890	4,648,228	2,259,104
	36,184,174	23,815,026	20,668,278
Excess (defiency) of revenue over expenditures	(7,582,711)	760,174	3,302,260
New debt issued	100,000	100,000	-
Principal payments on short-term debt	-	-	(116,600)
Principal payments on long-term debt	-	-	(185,006)
Principal payments on capital leases	(1,380)	(1,375)	(548)
Increase (decrease) in financial equity	(7,484,091)	858,799	3,000,706
Financial equity, beginning of year	22,324,391	22,324,391	19,442,625
Financial equity, transferred to other funds	(31,000)	(5,946)	(118,940)
Financial equity, end of year	$ 14,809,300	$ 23,177,244	$ 22,324,391

Sanitary Sewer Fund – Statement of Financial Position

Schedule 3

December 31, 2008

	2008	2007
Financial Assets		
Cash and cash equivalents	$ 5,144,331	$ 4,358,434
Accounts receivable	2,886	2,770
	5,147,217	4,361,204
Liabilities		
Accounts payable and accrued liabilities	16,411	11,295
Debt	187,050	195,306
Deferred revenue	617,529	620,884
	820,990	827,485
Net Financial Assets	4,326,227	3,533,719
Capital assets (schedule 7)	12,528,330	12,011,738
	$ 16,854,557	$ 15,545,457
Equity		
Financial Equity:		
Reserves	$ 3,411,877	$ 2,627,625
Surplus	1,101,400	1,101,400
	4,513,277	3,729,025
Capital equity	12,341,280	11,816,432
	$ 16,854,557	$ 15,545,457

Sanitary Sewer Fund – Statement of Financial Activities

Schedule 4

Year ended December 31, 2008

	2008 Budget (unaudited)	2008	2007
Revenue:			
Sewer user charges	$ 2,602,000	$ 2,618,549	$ 2,440,972
Parcel tax	153,400	155,003	153,522
Local improvement parcel tax	20,155	20,154	20,154
Sewer connection fees and other	51,464	84,745	91,408
Development levies	-	-	1,330
	2,827,019	2,878,451	2,707,386
Expenditures:			
Greater Vancouver Sewerage & Drainage District Assessment	1,094,035	1,094,035	1,117,572
Sewer system maintenance and connections	467,711	461,953	423,797
Interest on debt	13,363	13,363	13,362
Capital expenditures	2,069,200	516,592	422,910
	3,644,309	2,085,943	1,977,641
Excess (deficiency) of revenue over expenditures	(817,290)	792,508	729,745
Principal payments on long-term debt	(8,256)	(8,256)	(7,863)
Increase (decrease) in financial equity	(825,546)	784,252	721,882
Financial equity, beginning of year	3,729,025	3,729,025	3,007,143
Financial equity, end of year	$ 2,903,479	$ 4,513,277	$ 3,729,025

Drainage Fund – Statement of Financial Position

Schedule 5

December 31, 2008

	2008	2007
Financial Assets		
Cash and cash equivalents	$ 2,221,351	$ 1,690,384
Liabilities		
Accounts payable and accrued liabilities	15,000	7,500
Deferred revenue	400,949	359,986
	415,949	367,486
Net Financial Assets	1,805,402	1,322,898
Capital assets (schedule 7)	10,921,662	10,521,229
	$ 12,727,064	$ 11,844,127
Equity		
Financial Equity:		
Reserves	$ 1,805,402	$ 1,322,898
Capital equity	10,921,662	10,521,229
	$ 12,727,064	$ 11,844,127

Drainage Fund – Statement of Financial Activities

Schedule 6

Year ended December 31, 2008

	2008 Budget (unaudited)	2008	2007
Revenue:			
Drainage user charges	$ 1,330,000	$ 1,332,666	$ 1,245,391
Drainage connection fees and other	50,000	85,977	74,825
	1,380,000	1,418,643	1,320,216
Expenditures:			
Drainage system maintenance and connections	531,330	541,652	485,637
Capital expenditures	1,316,600	400,433	454,808
	1,847,930	942,085	940,445
Excess (deficiency) of revenue over expenditures, being increase (decrease) in financial equity	(467,930)	476,558	379,771
Financial equity, beginning of year	1,322,898	1,322,898	824,187
Financial equity transferred from General Fund January 1	31,000	5,946	118,940
Financial equity, end of year	$ 885,968	$ 1,805,402	$ 1,322,898

Capital Assets

Schedule 7

December 31, 2008

	2008	2007
General Fund		
Buildings and facilities	$ 17,356,336	$ 14,769,228
Engineering structures	4,161,081	4,122,476
Land	5,805,586	5,805,586
Machinery and equipment	10,670,562	10,166,552
Parks development	4,958,051	4,772,056
Roads and sidewalks	26,997,631	25,716,721
	69,949,247	65,352,619
Sanitary Sewer Fund		
Sanitary sewer	12,528,330	12,011,738
Drainage Fund		
Storm sewer	10,921,662	10,521,229
	$ 93,399,239	$ 87,885,586

Development Cost Charges

Schedule 8

Year ended December 31, 2008

	Highways	Drainage	Parkland	Total
Balance, beginning of year	$ 277,637	$ 359,986	$ 1,822,672	$ 2,460,295
Add:				
Amounts received	27,731	28,137	122,985	178,853
Investment income	9,902	12,826	64,427	87,155
Deduct:				
Capital expenditures	10,768	-	-	10,768
Balance, end of year	$ 304,502	$ 400,949	$ 2,010,084	$ 2,715,535

General Fund – Statutory Reserves

Schedule 9

Year ended December 31, 2008

	Land Sale Reserve	Equipment Replacement Reserve	Capital Works Machinery and Equipment Reserve	Off-Street Parking Facilities Reserve	Local Improvement Reserve	Total
Balance, beginning of year	$ 9,983,068	$ 2,427,722	$1,417,291	$ 6,791	$ 28,892	$13,863,764
Add:						
Transfers from general operating fund	-	-	554,568	-	-	554,568
Appropriation for vehicle replacement	-	430,000	-	-	-	430,000
Other amounts received	279,133	11,250	-	-	1,415	291,798
Investment income	207,842	91,375	54,990	235	-	354,442
Deduct:						
Capital expenditures	2,326,512	157,401	252,709	-	-	2,736,622
Balance, end of year	$ 8,143,531	$ 2,802,946	$1,774,140	$ 7,026	$ 30,307	$12,757,950

General Fund – Non-Statutory Reserves

Schedule 10

Year ended December 31, 2008

	Balance, beginning of year	Transfers from General Fund	Transfers to General Fund	Balance end of year
Capital project reserve	$ 2,428,064	$ 699,499	$ (440,160)	$ 2,687,403
Computer replacement reserve	109,642	75,000	(97,206)	87,436
Debt retirement reserve	-	94,300	-	94,300
Development works reserve	177,265	42,507	(202,360)	17,412
Economic development reserve	48,073	30,200	(39,390)	38,883
Goggs park reserve	60,055	-	(60,055)	-
Pier preservation reserve	95,458	52,500	(11,596)	136,362
Police equipment reserve	159,000	15,000	-	174,000
Roadworks reserve	462,168	504,600	(90,825)	875,943
Density bonus policy reserve	503,632	203,798	-	707,430
Budget stabilzation reserve	-	1,155,008	-	1,155,008
Other operating reserve	1,232,072	346,000	(681,413)	896,659
Incomplete capital projects	859,398	656,140	(497,880)	1,017,658
Total	$ 6,134,827	$ 3,874,552	$ (2,120,885)	$ 7,888,494

Sanitary Sewer Fund and Drainage Fund Reserves

Schedule 11

Year ended December 31, 2008

Sanitary Sewer Fund	Balance, beginning of year	Transfers from Operating Fund	Transfers to Operating Fund	Balance, end of year
Capital project reserve	$ 1,452,628	$ 633,375	$ (16,279)	$ 2,069,724
Pump station reserve	30,297	269,456	-	299,753
Incomplete capital projects	1,144,700	500,000	(602,300)	1,042,400
Total	$ 2,627,625	$ 1,402,831	$ (618,579)	$ 3,411,877

Drainage Fund	Balance, beginning of year	Transfers from Operating Fund	Transfers to Operating Fund	Balance, end of year
Capital project reserve	$ 466,628	$ 662,104	(12,210)	$ 1,116,522
Duprez ravine reserve	15,670	-	(11,494)	4,176
Operating reserve	25,000	-	-	25,000
Incomplete capital projects	815,600	244,824	(400,720)	659,704
Total	$ 1,322,898	$ 906,928	$ (424,424)	$ 1,805,402

Leisure and Cultural Services

Schedule 12

Year ended December 31, 2008

	Revenue	Expenditures	2008 Net subsidy	2007 Net subsidy
Leisure services administration	$ 48	$ 134,771	$ (134,723)	$ (125,749)
Recreation	307,381	614,670	(307,289)	(282,576)
Kent Street Activity Centre	190,905	362,723	(171,818)	(166,005)
Centennial Arena	462,185	677,311	(215,126)	(222,496)
White Rock Community Centre	-	9,737	(9,737)	-
White Rock Library	943	821,273	(820,330)	(807,077)
White Rock Museum	-	132,532	(132,532)	(132,722)
	$ 961,462	$ 2,753,017	$ (1,791,555)	$ (1,736,625)

Comparative General Statistics

(Unaudited)

Year ended December 31, 2008
Date of incorporation - April 15, 1957

	2008	2007	2006	2005	2004
Population (2006 Census)	**18,755**	18,755	18,755	18,250	18,250
Area in hectares					
Land	**505**	505	505	505	505
Water	**897**	897	897	897	897
Taxable hectares					
Land	**335**	335	335	335	335
Water	**8**	8	8	8	8
Kilometers of road					
Paved	**80.1**	80.1	80.1	80.1	79.4
Gravelled	**2.0**	2.0	2.0	2.0	2.0
Building permits					
Number	**129**	119	147	170	169
Value	**$ 35,896,220**	$ 98,146,050	$ 57,046,799	$ 75,019,611	$ 33,845,110
Comparative debt statistics:					
Debenture and other debt	**$ 287,050**	$ 195,306	$ 504,175	$ 803,860	$ 1,209,117
Debt per capita	**$ 15**	$ 10	$ 27	$ 44	$ 66
Tax rates for municipal purposes, includes General, Debt, Fire Protection and Fraser Valley Regional Library Levies: (stated in dollars per $1,000 of assessed taxable value)					
Residential	**3.25306**	3.51598	4.10337	4.56382	5.34388
Utility	**22.26266**	22.4057	26.18505	29.5481	34.4966
Business & other	**8.87241**	9.54262	10.90978	11.15732	11.85822
Recreational/nonprofit	**3.37734**	3.58265	3.63423	3.59682	3.89921
Tax rates for school purposes: (stated in dollars per $1,000 of assessed taxable value)					
Residential	**1.81880**	2.01700	2.47050	2.70360	3.13930
Utility	**14.20000**	14.70000	14.90000	14.90000	15.00000
Business & other	**6.80000**	7.90000	9.20000	9.60000	9.90000
Recreational/nonprofit	**3.60000**	3.90000	4.20000	4.50000	4.50000

Continued next page

Comparative General Statistics (cont'd) (Unaudited)

December 31, 2008

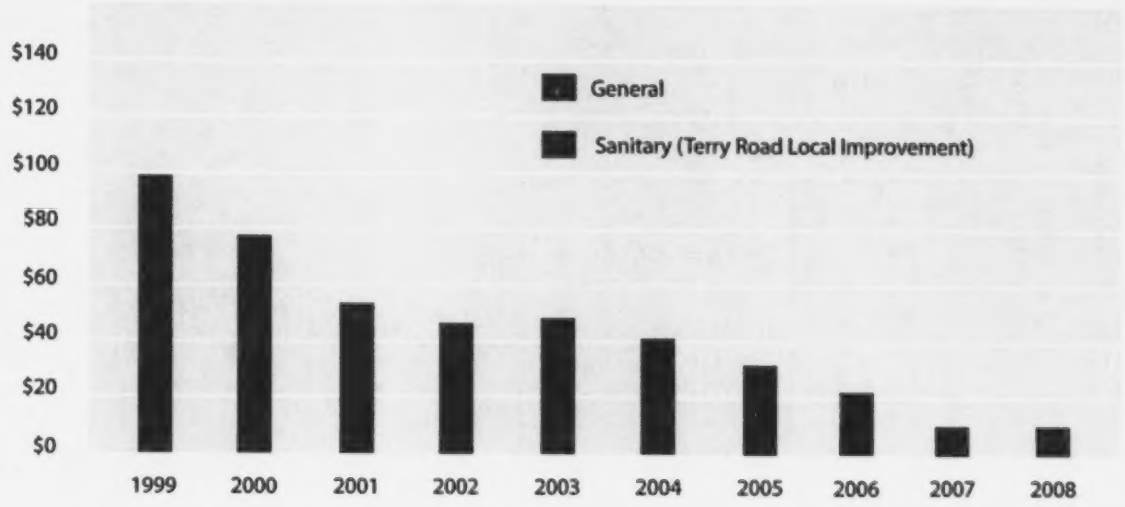
	2008	2007	2006	2005	2004
Comparative taxation statistics:					
Residential	$ **23,841,977**	$ 22,737,759	$ 21,939,322	$ 20,862,470	$ 19,841,376
Utility	**534,095**	530,991	540,553	526,835	478,974
Business & other	**3,617,544**	3,553,697	3,348,130	3,184,307	3,057,952
Recreational/nonprofit	**31,527**	30,705	51,320	52,352	26,749
Utility levy in lieu of taxes	**270,735**	268,380	249,229	246,335	249,301
Business area improvement levy	**316,096**	246,950	249,957	180,001	-
Translink Parking Tax	**-**	45,687	60,941	-	-
Sanitary sewer frontage tax	**155,003**	153,522	153,878	156,104	152,980
Total current taxes including school and other government levies	**28,766,977**	27,567,691	26,593,330	25,208,404	23,807,332
Sanitary sewer user fees	**2,618,549**	2,440,972	2,267,020	2,115,544	2,097,037
Drainage user fees	**1,332,666**	1,245,391	1,163,841	1,087,675	696,140
Total taxes and Utility fees	$ **32,718,192**	$ 31,254,054	$ 30,024,191	$ 28,411,623	$ 26,600,509
Taxes and utility fees per capita	$ **1,745**	$ 1,666	$ 1,601	$ 1,557	$ 1,458
Assessment for general purposes (taxable value)					
Land	**3,487,267,562**	3,065,699,130	2,356,116,710	1,983,411,310	1,609,965,755
Improvements	**1,211,085,652**	1,063,297,950	1,011,384,700	941,318,200	867,944,200
	$ 4,698,353,214	$ 4,128,997,080	$ 3,367,501,410	$ 2,924,729,510	$ 2,477,909,955
Deduct					
Exempt land	**99,654,553**	89,478,661	71,811,777	59,269,829	49,264,800
Exempt improvements	**77,074,348**	80,006,439	92,729,100	87,598,300	82,339,600
	$ 4,521,624,313	$ 3,959,511,980	$ 3,202,960,533	$ 2,777,861,381	$ 2,346,305,555
Assessment per capita	$ **241,089**	$ 211,118	$ 170,779	$ 152,212	$ 128,565
Assessment for school purposes	$ **4,541,283,365**	$ 3,978,792,436	$ 3,222,633,805	$ 2,797,438,513	$ 2,364,489,411

2008 Permissive Tax Exemptions

Estimated Property Taxes

Property Roll	Name	Address	Municipal General Purposes	Fraser Valley Regional Library Levy	Fire Protection (Hydrant) Levy
1290.002	Peace Arch Curling Club	14560 North Bluff Rd	$ 3,274	$ 159	$ 67
1403.000	Church on Oxford Hill	1519 Oxford St	$ 1,399	$ 68	$ 29
1779.000	Fellowship Baptist Church (Whiterock) Society Inc.	15138 Prospect Ave	$ 1,712	$ 83	$ 35
1789.000	Peace Arch Hospital Auxiliary Society	15163 Prospect Ave	$ 4,639	$ 225	$ 95
2136.000	Parish of the Holy Trinity	15115 Roper Ave	$ 3,525	$ 171	$ 73
2146.000	Hilltop Gospel Church	15110 Thrift Ave	$ 1,210	$ 59	$ 25
2695.000	Peace Arch Hospital & Community Health Foundation	15476 North Bluff Rd	$ 6,855	$ 333	$ 141
2696.000	Peace Arch Hospital & Community Health Foundation	15486 North Bluff Rd	$ 6,855	$ 333	$ 141
2697.000	Peace Arch Hospital & Community Health Foundation	15496 North Bluff Rd	$13,858	$ 673	$ 285
2699.000	Peace Arch Hospital & Community Health Foundation	15485 Vine Ave	$ 6,904	$ 335	$ 142
2700.000	Peace Arch Hospital & Community Health Foundation	15475 Vine Ave	$ 6.904	$ 335	$ 142
2792.001	White Rock Hospice Society	15510 Russell Ave	$ 1,899	$ 92	$ 39
2800.000	White Rock Hospice Society	15496 Russell Ave	$ 2,227	$ 108	$ 46
2876.000	St. John's Presbyterian Church	1480 George St	$ 2,540	$ 123	$ 52
2995.000	Salvation Army	15417 Roper Ave	$ 2,518	$ 122	$ 52
3743.000	United Church of Canada	15385 Semiahmoo Ave	$ 1,741	$ 85	$ 36
3754.000	First Church of Christian Scientist	1174 Fir St	$ 1,039	$ 50	$ 21
3762.000	White Rock Community Church	15276 Pacific Ave	$ 1,023	$ 50	$ 21
3763.000	White Rock Community Church	15282 Pacific Ave	$ 1,513	$ 74	$ 31
3886.000	Roman Catholic Church	15262 Pacific Ave	$ 8,402	$ 408	$ 173
4103.000	Peace Arch Community Services Society	882 Maple St	$ 8,058	$ 391	$ 166
5303.000	Options Services to Communities Society	15877 Pacific Ave	$ 2,242	$ 109	$ 46
6331.000	Burlington Northern & Santa Fe (BNSF) Railway Company	As defined in the lease between the BNSF Railway Co. & the City of White Rock	$16,232	$ 789	$ 334

Long-term Debt per Capita



City of White Rock